**ED WHITFIELD** 

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## Congress of the United States House of Representatives

Washington, DC 20515-1701

June 10, 2010

The Honorable Julius Genachowski Chairman Federal Communications Commission 445 12<sup>th</sup> Street, SW Washington, D.C. 20554

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Dear Chairman Genachowski:

Thank you for recently submitting the National Broadband Plan to Congress. I am writing today to express my concern about the negative impact the Broadband Plan would have on rural areas in America, including the First Congressional District of Kentucky.

I currently have two major concerns with the plan. The first is in the proposal for reforming the Universal Service Fund. While I agree wholeheartedly that the Universal Service program needs reform to improve performance and accountability, I have concerns with the overall implementation of the reform as presented in the plan. Many rural consumers throughout the country depend on broadband connections that are provided by networks built with the assistance of the current Universal Service Fund. In section 8.1 of the broadband plan, the broadband team acknowledged both the initial and "ongoing" costs associated with broadband networks. However, in the same section, the plan states that the availability gap estimate (or cost estimate to provide universal broadband) did not include any amounts necessary to support companies that currently receive universal service support for voice and already offer broadband. In my judgment, it is important to take these amounts into account when determining adequate levels of support for rural broadband in any plan or reform. I ask that the FCC revisit these areas and cost estimates.

The second concern I have is the large differential in the broadband speed goal for rural and urban regions. The FCC needs to ensure that any minimum threshold established for rural residents and businesses is sufficient enough for the future demands of commerce, health care, education, energy, government and public safety. The plan seems to contradict itself in many places by trumpeting the value of robust broadband networks while setting a goal well below robust for rural areas.

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COMMITTEE ON

**ENERGY AND COMMERCE** 

SUBCOMMITTEES: ENERGY AND ENVIRONMENT

COMMERCE, TRADE, AND

CONSUMER PROTECTION

I encourage you to take the rural areas of our country, including Kentucky's First Congressional District, into account as you work toward implementation of the broadband plan. The economic future of our nation is riding on the development of a robust communications network for all citizens. I request that you seriously consider these concerns, and that you take the appropriate steps to modify the plan's recommendations to ensure all Americans benefit from our goal of having the most robust telecommunications network in the world.

Sincerely,

Ed Whitfield

Member of Congress

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## FEDERAL COMMUNICATIONS COMMISSION WASHINGTON

October 13, 2010

The Honorable Ed Whitfield U.S. House of Representatives 2411 Rayburn House Office Building Washington, D.C. 20515

Dear Congressman Whitfield:

Thank you for your letter expressing concern about the effect of the National Broadband Plan's (NBP) proposed universalization level of 4 Mbps on rural America. The NBP called for a Connect America Fund to enable all U.S. households to access a network that is capable of providing both high-quality voice-grade service and broadband that satisfies the National Broadband Availability Target. Recently, the Commission's Omnibus Broadband Initiative (OBI) staff released a technical paper addressing the Target speed, which I am enclosing for your review. The OBI paper details the reasons for the 4 Mbps level and notes the importance of periodic adjustments as the data supporting the Target continues to evolve.

The 4 Mbps speed is very aggressive and represents one of the highest levels in the world today for universalization, while the NBP's 100 Mbps number is based on a long-range goal. Few residential customers today subscribe to 100 Mbps service, and 4 Mbps currently is the median speed purchased by consumers. Only 6 percent of consumers subscribe to broadband service that is faster than 10 Mbps. Broadband service at 4 Mbps permits consumers to utilize its full benefits, including web browsing, e-mail, two-way video conferencing, and watching educational lectures online in standard definition. The Target speed also is "reasonably comparable" to the broadband service currently provided in urban areas, which is the standard mandated under Section 254 of the Communications Act for universalization. Cost is also a factor that needs to be considered – subsidizing universal 100 Mbps deployment today could cost as much as \$320 billion, which could increase the size of the fund to \$40-50 billion annually, and lead to a universal service fee, on average, of \$30 per month per American household.

Be assured that I am committed to making broadband affordable and attainable by all Americans, regardless of where they live or which service providers they use. I look forward to working with you and other Members of Congress as the Commission transforms its universal service policies to ensure that there will be no digital divide in our nation. Please do not hesitate to contact me if I can be of further assistance.

Sincerely,

Julius Genachowski

Enclosure